



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

April 15, 2005

Deborah Trudell, Treasurer  
Nevada State Democratic Party  
409 Horn Street  
Las Vegas, NV 89107

**Response Due Date:**  
**May 16, 2005**

Identification Number: C00208991

Reference: Year End Report (11/23/04 – 12/31/04)

Dear Ms. Trudell:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-The beginning cash balance of this report should equal the ending balance of your 2004 30 Day Post-General Report (10/14/04 – 11/22/04). Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-The totals listed on Lines 6(c), 7, 11(b), 11(c), 11(d), 12, 15, 19, 20, 21(a)(i), 21(a)(ii), 21(b), 21(c), 22, 29, 30(a)(i), 30(a)(ii), 30(b), 30(c), 31, and 32, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Your 12 Day Pre-General (10/1/04 – 10/13/04), 30 Day Post-General (10/14/04 – 11/22/04), and Year End (11/23/04 – 12/31/04) Reports include memo Schedule A's totaling \$11,478.85 for "NV Party Victory Fund," which appear to be your committee's share of the gross contributions received from a joint fundraising committee. However, Schedule A supporting Line 12 of your reports do not disclose a transfer(s) from the

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related joint fundraising committee, but rather disclose a transfer(s) from the "Democratic National Committee" for \$238.00. If this transfer(s) represents your committee's share of net proceeds as a result of this apparent joint fundraising effort, please amend your reports to clearly identify the name of the joint fundraising committee. Otherwise, please clarify why there is no transfer(s)-in from this joint fundraiser to correspond with the memo Schedule A's.

-Schedule B supporting Line 30(b) of your report discloses a negative entry for the receipt of apparent refunds/rebates of expenditures made during this or previous reporting periods. Please be advised that the receipt of offsets to operating expenditures should be disclosed on Schedule A supporting Line 15 of the Detailed Summary Page if the vendor wrote a refund/rebate check on its account. This method of reporting would clarify for the public record the total amount of receipts and more accurately disclose the cash-on-hand amount. Please amend your report to properly disclose this activity or provide clarifying information.

-Schedule A supporting Line 12 discloses a transfer(s)-in from Democratic National Committee. Schedule B supporting Line 30(b) reflects payments for "Doorhangers." Please be advised that a state or local party committee may pay for campaign materials (such as pins, posters, bumper stickers and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

Please clarify the nature of the transfer(s)-in and subsequent payments for the aforementioned disbursement(s). If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate.

-On Schedule H6, your allocated activity or event year-to-date total calculations for the GOTV category is incorrect. Allocated activity or

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event year-to-date totals for this activity should be calculated by adding the latest disbursement for a category to the previous event year-to-date total for that category. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals.

-Schedule H5 supporting line 18(b) of your report discloses a transfer(s)-in from "NDP Non-Federal Levin" for GOTV activity. However, this transfer is not disclosed on line 4(c) of the Schedule L Aggregation Page or on Schedule L-B. Each transfer of Levin funds from a Levin or non-federal account to a Federal account must be itemized on Schedule L-B regardless of the amount transferred 11 CFR §300.36(b)(2)(ii) Please amend your report to provide the correct totals on the Schedule L Aggregation Page and to provide a Schedule L-B.

-The Detailed Summary Page, on Line 18(a) Column A of your Amended 12 Day Pre-General Report (10/1/04 – 10/13/04), received 3/22/04, 30 Day Post-General Report (10/14/04 – 11/22/04), and Year End Report (11/23/04 – 12/31/04) discloses \$267,000.00 in transfers from the non-federal account for allocated activity for the reporting period. However, Line 21 (a)(ii) Column A of these reports discloses \$241,737.78 as the non-federal share for allocated activity for the reporting period. While the non-federal account is permitted to transfer funds to the federal account for allocated activity, transfers for allocated activity must be made within a 70-day time period: no more than 10 days before or 60 days after the payment to the vendor. 11 CFR §§106.6(e)(2) and 106.7(f)(2) Please clarify the nature of the transfers-in from the non-federal account.

The Commission recommends that you immediately transfer back to the non-federal account, the total excessive amount which was received by your federal account outside the 70-day time period. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your report to clarify the following description(s): "Reimb/office supplies (to an individual)." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-On Schedule H4, your allocated activity or event year-to-date total calculations for the Administrative category are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive and

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exempt activity costs are derived by aggregating all disbursements during the calendar year for each separate category. Allocated activity or event year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals.

**Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter.** Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1148.

Sincerely,

*Brandis L. Zehr*

Brandis L. Zehr  
Campaign Finance Analyst  
Reports Analysis Division

